

ASX Announcement
Spacetalk Ltd. (ASX:SPA)
6 February 2023

Placement of Entitlement Issue Shortfall and Warrants Exercised

Highlights

- **Spacetalk has completed Placement of the Entitlement Issue Shortfall which was overwhelmingly supported.**
- **The board of directors limited the existing Shortfall Offer to \$1.0m from \$2.57m available due to better than expected quarterly results.**
- **The completion of the Shortfall Placement closes the Entitlement Issue with a total raised of approximately \$2.4m including \$0.23m from Spacetalk directors which is subject to shareholder approval at the forthcoming Extraordinary General Meeting of shareholders.**
- **The recent business update of Q2/FY23 revealed a \$3.3m turnaround in the cash position of Spacetalk reducing the immediate requirement for additional funding to ensure Spacetalk's growth.**

Spacetalk Ltd. (ASX:SPA) ("Spacetalk" or "Company"), the Australian company that provides safety and connectivity to families, provides the following update.

Spacetalk is pleased to report the Company has raised an additional \$1.0m as a result of placement of shares under the Shortfall Offer, being the offer as detailed within the Entitlements Issue Prospectus released on 25 November 2022 and as announced to ASX on 29 December 2022. The Shortfall placement was overwhelmingly supported and is testament to the turnaround of the business occurring earlier than anticipated. The Directors have decided to limit the existing Shortfall Offer to \$1.0m (from \$2.57m) following the positive turnaround of the business, reducing the dilution of existing shareholders. The Shortfall Offer is now closed.

In the recent Q2/FY23 business update provided to the market Spacetalk revealed a first cash flow positive quarter since 2021, moving from a \$2.9m outflow in Q1/FY23 to a \$400K cash inflow in Q2/FY23. Strong ARR growth of the wearables business of 44% plus cost management discipline has set up Spacetalk for strong future growth.

Veritas Securities Limited acted as Lead Manager to the Shortfall Placement under the terms as previously disclosed in the Entitlement Issue Prospectus.



Warrant Exercise

The Company also advises that it has received a Notice of Exercise from Pure Asset Management Pty Ltd today, exercising their existing warrant over 11 million shares. Consideration of \$396,000 has been received by the Company as a result of this exercise.

Spacetalk Chairman Georg Chmiel said: “I am very encouraged by the fantastic turnaround the team has achieved in a short period of time. This shows the quality of the underlying business. We have reviewed our capital needs and view this decision as a strong vote of confidence. I’d also like to thank our investors who heavily over-subscribed to the Shortfall Offer.”

This announcement has been authorised by the Spacetalk Board.

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About Spacetalk Ltd.

Spacetalk Ltd. (ASX:SPA) is an Australian company that strives to bring the best wearables and software ecosystem to families around the world to advance child safety, development, and wellness.

The ASX-listed company is recognised globally as a leader in the connected wearables industry thanks to its unique proprietary ecosystem that keeps families connected. This market-leading hardware and trusted, parent-controlled software platform enable children and families to experience the benefits of mobile technology securely and with confidence.

With the Spacetalk App, parents can prevent their children's access to the open internet, social media and inappropriate adult content while blocking calls and messages from unknown senders. The app also keeps track of a child's location and is customisable so every feature can be enabled and disabled as needed.

Spacetalk's best-in-class software platform supports children's development by facilitating engaging, confidence-building experiences that the whole family can participate in and enjoy.

The Spacetalk smartphone-watch is a child's first mobile phone, offering all the benefits of a smartphone and operating on a secure, private and parent-controlled ecosystem that can be customised to reflect each family's needs and values. Together, the watches and software platform provide a complete digital communication solution that families can rely on at all times.

Spacetalk was founded in 2001 and listed on the ASX in 2003 as MGM Wireless Limited, which developed the world's first SMS student absence notification platform for schools and went on to become Australia's most successful school messaging company. On 12 November 2020 the Company changed its name to Spacetalk Ltd.

To learn more about the Spacetalk devices and app platform, and the Company, please visit: <https://www.spacetalkwatch.com/>. Investor Centre: <https://investors.spacetalkwatch.com/>.